



Severe Labor Abuses in the Cookware Industry

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FOR IMMEDIATE RELEASE

NEW YORK - A multi-month in-depth investigation has exposed numerous violations of labor regulations and human rights in five Chinese cookware factories supplying to top brands and retailers, including Macy's, Walmart, Kohl's, Carrefour, IKEA, Cuisinart, Tupperware, WMF, Kuhn Rikon, and others. The [73-page report \[PDF\]](#), titled "Dirty Frying Pans", was a collaboration between China Labor Watch (CLW) and Solidar Suisse. The five factories implicated in this report are called Xinhui Ri Xing Stainless Steel Products Three A Stainless Steel Products, Xianfeng Stainless Steel Manufactured Products (Linkfair), Guangdong Master Group Stainless Steel Company, and Anotech International Kitchenware Company. These companies, all located in Guangdong Province, together employ over 5,000 workers.

Undercover research and worker interviews revealed that the factories are plagued by illegal and unfair working conditions that include labor contract violations, a lack of paid leave or required insurances, mandatory overtime without overtime pay, unpaid wages, fines on workers, poor occupational safety measures, and insufficient living conditions. Many workers were covered in metallic dust and regularly handling toxic chemicals with minimal protection. Undercover investigations also revealed industrial waste water being discharged directly into local water sources, in one case turning a river opaquely white from the pollutants.

These abusive practices are utilized as cost cutting measures to maximize profits for factories and, in turn, multinational buyers at the expense of workers. The piece-rate wage system widely utilized in Chinese cookware factories is indicative of labor conditions in the entire industry. Without a guaranteed base wage, factory workers' income and job security fluctuates with seasonal changes in product orders. The manufacturing and brand companies have maximized their profit margins by effectively passing the cost of order fluctuations to workers.

For example, for a moderately priced IKEA 365+ Series stainless steel frying pan, which retails for about \$20, workers at the Chinese factory where this product is made earn only \$0.06 to \$0.14 for their work in manufacturing each pan, which is 0.3% to 0.7% the market price. But some cookware made in these factories sell for considerably more than \$20 while the piece-rate remains just as low.

Many of the international buyers of these cookware factories use social auditing to ostensibly ensure compliance with their labor standards or codes of conduct. But in the course of this investigation, CLW recorded documentation and conduct at each factory which influences the validity of those audits, including fraudulent training records, pay stubs, and safety measures. At one factory, Xinhui Ri Xing Stainless Steel Products, an investigator even witnessed a buyer inspection which resulted in the factory bribing the auditor for a passing mark.

Even if the audits are sometimes accurate, the dismal working conditions detailed in this report clearly demonstrates a failure of corporate social responsibility when buyers do not institute sufficient reforms in their dealings with supplier factories.

We call on brand and retailer buyers to take steps outlined in the report to remedy current violations and prevent future abuses, including: releasing a full list of suppliers, strengthening monitoring of labor conditions through a worker hotline managed by an independent local NGO, and having Chinese suppliers invite the local union to train workers before hosting a direct election of worker representatives.

[Link to the full 73-page report \[PDF\]](#).

About China Labor Watch

Founded in 2000, China Labor Watch is an independent not-for-profit organization. For more than a decade, CLW has collaborated with labor organizations and the media to conduct in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the world's largest brand companies. CLW's New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

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